

6/28/68
40-2215-58-761

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Increasing Demands by Agency Components
for Printing Services

1. This staff study contains recommendations submitted for DD/S approval. Such recommendations are contained in paragraph 6.

2. PROBLEM

To effect economies in Agency printing through the elimination of all unessential printing and the adoption of a more realistic method of budgeting for printing services.

3. FACTS BEARING ON THE PROBLEM

a. The Printing Services Division/GI now budgets for all of the Agency's printing. The Printing Services Division's budget seeks to include all costs for personal services, supplies, equipment, etc. In order to prepare such budgets the Printing Services Division is required to estimate printing requirements for the year for which the budget is prepared. Only rarely do the operating divisions furnish any advanced information as to printing requirements for a particular fiscal year.

b. The Agency customers request printing services from the Printing Services Division without regard to cost since all printing costs are reflected in the Printing Services Division's budget. Overtime can be requested in order to complete crash jobs and the Printing Services Division has little or no control over such requests.

c. The present method of budgeting for Agency printing does not provide for charging the costs of printing to the various Agency components. The system, therefore, fails to reflect the true cost of projects and other Agency operations.

d. The present system creates many problems for the Printing Services Division. Since the budgeting is not based upon actual or accurately estimated requirements, it is frequently necessary to obtain supplies and equipment which were not provided for in the printing budget. This requires continuous adjusting to stay within the budget and still provide the services requested.

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e. Since the Printing Services Division has no control over the demands made upon it, such demands are continually increasing. At the same time, the Division is subjected to great pressure to reduce overtime. Also complicating the situation is the recent cut of eleven (11) positions and the freezing of nine (9) other positions in the Printing Services Division. Thus, while the demands for printing services are increasing, the personnel available for producing printing are decreasing.

f. The Printing Services Division has in operation in its Administration Building Plant an adequate cost accounting system. This system was installed in January 1957 and is used for charging non-CIA customers for printing services performed.

4. DISCUSSION

a. The system of budgeting for Agency printing requirements is totally unrealistic in that the users of the printing are not required to supply information pertaining to the requirements. Likewise, the customer components may order as much printing as they desire without the cost being reflected against the particular component or the project involved.

b. The need to limit the requirements placed upon the Printing Services Division/OL is obvious. The restriction on overtime and the reduction in the work force make it absolutely necessary that some method be devised limiting requests made upon the Division.

c. Requests for printing services can be best controlled if the Agency components are required to budget for their own printing and are charged for each printing job done for them. They would be "spending" their own money each time they ordered printing and would be required to stay within the amounts budgeted for printing.

d. A "revolving fund" type of operation will accomplish the above. The Office of the Comptroller would require the Agency components to submit budget estimates for all printing services which they will require for each fiscal year. The Printing Services Division would issue monthly statements to each Agency component showing the cost by job numbers of all printing work done for the particular component during the prior month.

e. Based upon the printing costs reflected in the above-mentioned monthly statements, the Office of the Comptroller would transfer funds from the

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various Agency components to the Printing Services Division, by charging such costs to the allotment accounts of the respective components and crediting the "revolving fund" account of the Printing Services Division in the same amounts.

- f. The Printing Services Division would have no budget as such. All costs for the operation of its printing plants including rent, guard service, water and other utilities would be included in overhead to be charged along with labor and materials, etc. All expenses involved in the operation of the Printing Services Division's printing plants would be recovered through charges made for printing services.
- g. The Office of the Comptroller would allot sufficient funds to the Printing Services Division to permit establishing a "revolving fund" and to finance necessary increases in the capital of the fund.
- h. The financial management improvement program now being developed by the Office of the Comptroller will probably require the Printing Services Division to eventually adopt the "revolving fund" type of operation.
- i. The Office of the Comptroller advises that the "revolving fund" operation would require special authorization from the Congress for administering Agency funds on a "ac year" basis before a "revolving fund" could be established.
- j. The adoption of a "revolving fund" type of operation will require the installation in the [REDACTED] "K" Building, and "Q" Building plants of the Printing Services Division of a cost accounting system.
- k. The additional workload created by the installation of the cost accounting system can probably be absorbed by the Printing Services Division. Some additional time will be required in the preparation of statements to be issued to Agency components. However, it is believed that most of this work can be done by tabulating machines thus requiring very little clerical time on the part of the Printing Services Division. Merging upon the tabulating system of cost accounting would result in an additional workload on the Machine Records Division which might be partly offset by the discontinuance of certain production records which Machine Records Division is now tabulating for Printing Services Division.

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3. CONCLUSIONS

- a. A more realistic system of budgeting for Agency printing services and reflecting true printing costs is essential.
- b. The most effective way of accomplishing this is the adoption of a "revolving fund" type of operation for the Printing Services Division/OL.

4. RECOMMENDATIONS

- a. That a "revolving fund" type of operation be adopted by the Printing Services Division/OL as soon as possible.
- b. That a cost accounting system identical to that in operation in the Administration Building Plant be devised and installed in the [REDACTED], 25X1A6a "X" Building, and "Q" Building plants of the Printing Services Division/OL.

Robert A. Madison
Director of Logistics

CO-SIGNERS:

Office of the Comptroller

General Counsel

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The recommendations contained in
paragraph 6 above are approved.

date

L. K. White
Deputy Director
(Support)

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